Intelligence Men Move Into State Dept.

By Jack Anderson

An estimated 1,500 intelligence agents have quietly infiltrated the State Department where they carry on their spying activities in diplomatic garb.

Operatives from the Central Intelligence Agency, Defense Intelligence Agency and National Security Agency have taken over many key posts.

This has caused considerable grumbling and grievances among old-line foreign service officers. They have charged privately that promotions have been rigged, transfers arranged and even a few resignations forced to clear foreign service officers out of the way so intelligence agents can take over their jobs.

One grievance case, hushed up by the State Department, involves foreign service officer Charles Anderson, who claims he was bumped from his political job in Sofia to make room for a CIA agent. When Anderson complained about the transfer, he got a low efficiency rating for his pains.

Anderson refused to comment, but his friends told us about his grievance. Other State Department sources described how the cloak-and-dagger boys were moving into the diplomatic service. The 1,500 figure came from personnel officers. An official spokesman, however, refused to comment on the number of CIA and related spies in the department.

Bank Benefits

The nation's tax laws have sprung so many leaks that half the money due the government now escapes into the pockets of the privileged. Treasury experts claim the tax rate could be cut in half, without reducing federal revenue a single cent, if Congress would only plug the tax loopholes.

Instead, Congress keeps poking new loopholes in the laws until the taxpayers have their dander up.

Few special interests have wangled more benefits out of Congress than the banking lobby. Banking legislation is handled by the Senate and House Banking Committees, which always seem to be dreaming up new benefits for the banks.

For Tuesday, Senate Banking Chairman John Sparkman (D-Ala.) has scheduled a closed session to consider the latest bonanza for the banks. This bill, carried on the Senate docket as S-3652, was actually drafted by the American Bankers Association.

A Senate staff study, dated Aug. 1 and stamped "Confidiental," calls the bill "the most unconscionable example of special interest legislation (we) have seen" recently.

The staff estimates that the bill "could cost the states as much as a billion dollars a year in tax revenues and possibly more."

Citing figures supplied by the Federal Reserve Board, the memo alleges that the average business firm has a relative state and local tax burden four times greater than commercial banks. It adds:

"Once state legislatures wake up to this great disparity, they might very well seek to raise the low level of taxes paid by banks. If banks were taxed at the same rate as other business firms, state and local tax revenues would be increased by $2.2 billion."

This bill, warned the memo, would block the states from charging banks the same tax rates as other businesses.

A spokesman for the American Banking Association acknowledged that S-3652 had been drafted by the bankers but claimed it merely clarified recommendations made by the Federal Reserve Board. The bill was introduced, he said, by Sen. Wallace Bennett (R-Utah) at the request of the bankers.

Political Potpurri

George McGovern, in his search for a new running mate, first tried Ted Kennedy, then Hubert Humphrey. Both men turned him down but offered to campaign for him . . . Humphrey found his old friend McGovern despondent over the ordeal of choosing a running mate . . . McGovern never asked his former running mate, Tom Eagleton, for his opinion on a successor. But privately, Eagleton told us he thought former Democratic Party Chief Larry O'Brien was the best available man. . . . McGovern was uneasy, incidentally, that headstrong members of the Democratic National Committee might not accept his recommendation and might put up their own candidate for Vice President.

© 1972, United Feature Syndicate